

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO  
RICO, as representative of

THE COMMONWEALTH OF PUERTO  
RICO, *et al.*

Debtors,<sup>1</sup>

PROMESA

Title III

No. 17-BK-3283 (LTS)

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,  
as a representative of

PUERTO RICO HIGHWAYS AND  
TRANSPORTATION AUTHORITY,

Debtor.

PROMESA

Title III

No. 17-BK-03567 (LTS)

**This motion relates only to HTA  
and shall be filed in the lead Case  
No. 17 BK 3283 (LTS) and Case  
No. 17 BK 3567 (LTS).**

**VERIFIED STATEMENT OF THE AD HOC GROUP OF NOTEHOLDERS OF FGIC-  
INSURED NOTES PURSUANT TO BANKRUPTCY RULE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), certain beneficial holders, or investment advisors or managers of beneficial holders, as

<sup>1</sup> The Debtors in the various Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

identified on Exhibit A hereto (collectively, the “Ad Hoc Group of FGIC Noteholders”), of certain series of notes issued by the Commonwealth of Puerto Rico and/or its various instrumentalities, agencies and authorities and guaranteed by the Financial Guaranty Insurance Company, including those series of notes issued pursuant to Resolution 98-06 by the HTA (collectively, the “FGIC-Insured HTA Notes”), by and through their undersigned counsel, hereby submit this verified statement (the “Verified Statement”),<sup>2</sup> and in support thereof state and represent to the Court as follows:

1. In January 2018, the Ad Hoc Group of FGIC Noteholders retained Stroock & Stroock & Lavan LLP (“Stroock”) as counsel in connection with the restructuring of the FGIC-Insured HTA Notes and the HTA’s Title III cases pending before this Court (the “HTA Title III Case”). In February 2018, the Ad Hoc Group of FGIC Noteholders also retained Córdova & Dick, LLC (“Córdova & Dick”) as local counsel, in connection with the restructuring of the FGIC-Insured HTA Notes and the HTA Title III Case.

2. As of the date of this Verified Statement, Stroock and Córdova & Dick represent only the members of the Ad Hoc Group of FGIC Noteholders and do not represent or purport to represent any persons or entities other than the Ad Hoc Group of FGIC Noteholders in connection with the HTA Title III Case (provided, however, that other attorneys at Stroock, separated by an ethical wall from counsel of record for the Ad Hoc Group of FGIC Noteholders, represent an unrelated creditor in the Title III Cases). In addition, as of the date of this Verified Statement, the Ad Hoc Group of FGIC Noteholders, both collectively and through its individual members, does not represent or purport to represent any other entities in connection with the HTA Title III Cases. Likewise, members

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<sup>2</sup> The Ad Hoc Group of FGIC Noteholders are filing this Verified Statement only in connection with the Title III case of the HTA.

of the Ad Hoc Group of FGIC Noteholders are filing this Verified Statement exclusively on their own behalves, and do not assume any fiduciary or other duties to any other creditor or person.

3. Stroock and Córdova & Dick have been advised by the members of the Ad Hoc Group of FGIC Noteholders that, as of February 9, 2018, the individual members of the Ad Hoc Group of FGIC Noteholders (and/or their affiliates and/or managed funds or accounts) hold, or are the investment advisors or managers for funds or accounts that hold, in the aggregate, \$206,695,000 in original face amount of claims against HTA arising from one or more series of FGIC-Insured HTA Notes. Specifically, in accordance with Bankruptcy Rule 2019, attached hereto as Exhibit A is a list setting forth the name, address and the nature and amount of all disclosable economic interests held or managed by each member of the Ad Hoc Group of FGIC Noteholders (and/or their affiliates and/or managed funds or accounts), in the aggregate, in relation to the HTA as of February 9, 2018.

4. The information set forth in Exhibit A and herein is intended only to comply with Bankruptcy Rule 2019 and is not intended for any other purpose. Nothing contained in this Verified Statement (including Exhibit A hereto) should be construed as a limitation upon, or waiver of the right of any individual member of the Ad Hoc Group of FGIC Noteholders, including, without limitation, the right to assert, file and/or amend its claims in accordance with applicable law and any orders entered in the HTA Title III Case.

5. The information contained in Exhibit A is based upon information provided by the applicable members of the Ad Hoc Group of FGIC Noteholders to Stroock and Córdova & Dick. Stroock and Córdova & Dick do not make any representation regarding the validity, amount, allowance, or priority of such claims, and reserves all rights with respect thereto. Stroock and Córdova & Dick do not own, nor has Stroock and Córdova & Dick ever owned, any claims against or interests in the HTA.

6. The Ad Hoc Group of FGIC Noteholders, through its undersigned counsel, reserves the right to amend and/or supplement this Verified Statement in accordance with the requirements set forth in Bankruptcy Rule 2019 at any time in the future.

*[Remainder of Page Intentionally Left Blank]*

Dated: February 12, 2018

Respectfully submitted,

CÓRDOVA & DICK, LLC

/s/BRIAN M. DICK BIASCOECHEA

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- and -

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*Counsel to the Ad Hoc Group of FGIC Noteholders*

**Exhibit A<sup>1</sup>**

| <b>Name</b>  | <b>Address</b>   | <b>Nature and Amount of Disclosable Economic Interest<sup>2</sup></b> |
|--|--|---|
| Taconic Capital Advisors L.P., as a beneficial holder, or investment advisor or manager of beneficial holders  | 280 Park Avenue, 5 <sup>th</sup> Floor<br>New York, NY 10017 | \$149,964,000.00 in FGIC-Insured HTA Notes                            |
| Monarch Alternative Capital LP, as a beneficial holder, or investment advisor or manager of beneficial holders | 535 Madison Ave A<br>New York, NY 10022                      | \$56,731,000.00 in FGIC-Insured HTA Notes                             |

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<sup>1</sup> Nothing contained in the Verified Statement or in this Exhibit A should be construed as a limitation upon, or waiver of, any rights or claims of the Ad Hoc Group of FGIC Noteholders or any individual member thereof.

<sup>2</sup> Disclosable economic interests are reflected in original face amount.